

**State of Utah****Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

September 20, 2006

Dennis Ware, Controller
Castle Gate Holding Company
P.O. Box 30
Helper, Utah 84526-0030

Subject: Final Approval of Bond Releases at Refuse Pile and Barn Canyon Shaft Facility (Phase I) and Preparation Plant Area (Phase III), Task #2424, Plateau Mining Corporation, Willow Creek Mine, C/007/0038

Dear: Mr. Ware:

Phase I bond release in the amount of \$632,000 at the Willow Creek Mine on 49.1 acres of land related to the backfilling, grading and surface water control of the former refuse pile and the Barn Canyon Shaft Facility is approved. Additionally, Phase III bond release in the amount of \$1,503,000 on 46.2 acres of land consisting of the reclaimed preparation plant area, and retained structures including the warehouse/bathhouse/office, lab building, substation, access roads, raw water pond, and pump house is also approved. The preparation plant area had a postmining land use change to industrial approved in 2004 and will be utilized by the Price River Water Improvement District.

OSM concurred with both of these bond releases by letter dated September 15, 2006. The amounts of bond to be released for the facilities at the Willow Creek Mine are:

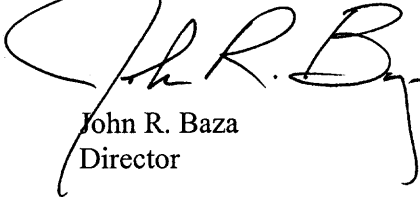
Bond Releases	Totals	Phase III – Preparation Plant Area (now used by PRWID)	Phase I – Refuse Pile and Barn Canyon Shaft Facility
Acreages	95.3 Acres	46.2 Acres	49.1 Acres
Bond Release	\$2,135,000	\$1,503,000	\$632,000
Remaining Bond for the Refuse Pile/Barn Canyon Shaft Area	\$ 422,000	\$0	\$422,000

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Dennis Ware

The current bond for the Willow Creek Mine is for \$4,410,114 with Travelers Casualty & Surety Ins. Co (#104329637). You are authorized to reduce the bond by \$2,135,000. The bond amount posted after these bond releases is \$2,275,114.

If you have any questions please call Pamela Grubaugh-Littig at (801) 538-5268.

Sincerely,

A handwritten signature in black ink, appearing to read "John R. Baza". The signature is fluid and cursive, with a large initial "J" and "B".

John R. Baza
Director

cc: Jim Fulton, OSM
Carbon County Planning
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